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THE AGRICULTURAL • SITUATION •

JULY 1943

A Brief Summary of Economic Conditions

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WITH wartime food requirements rapidly increasing both here and abroad, the outlook for this year's agricultural production in the United States is of interest throughout the world. Fortunately, weather conditions in recent weeks have been more favorable than in the spring, and the production outlook is brighter than on June 1. At that time, crop prospects were somewhat less promising than in any of the last 3 years, chiefly because of wet weather in the Central and Northeastern States and dry weather in parts of the Great Plains. Improvement in weather conditions is now allowing farmers to go ahead with their work, although replanting and cultivation have been late in many areas * * *. The 50 million bushels of wheat authorized by Congress on June 14 for sale as feed wheat had been sold by the end of the month, running the total sold by Commodity Credit Corporation for this purpose during the 1942-43 feeding year to 275 million bushels. * * *. To help obtain corn required for industrial purposes, War Food Administration on June 25 announced it was requisitioning corn stocks in 96 midwestern terminal elevators. The supply thus obtained will be allocated among processors of corn.

Commodity Reviews

FEED: Prospects

PROSPECTS for feed grain production are less favorable than at this time last year, because of floods, excessive rainfall, and cool weather, particularly in the Corn Belt. Corn yields will be less than the very high average of last year. The barley supply for the 1943-44 feeding year, including indicated production and the June 1 carry-over, will be 6 percent less than for 1942-43. The oats supply, including carry-over on July 1, will be 10 percent off. Altogether, the 1943-44 feed grain supply, as indicated on June 1, will be about 135 million tons, including wheat and rye available for feed. The indicated total is 12 percent less than the 1942-43 supply, although 12 percent above the 1937-41 average. At the same time, it is expected that the number of grain-consuming animals on farms will be 5 to 10 percent larger next January than last and 28 percent above the 1938-42 average. The feed grain supply in the coming season, therefore, will be smaller in relation to number of animals than in any of the last 5 years. Recognizing the importance of this aspect of the feed outlook, the Department of Agriculture already has called attention of livestock producers to need for conserving feed supplies.

Marketings of corn are light, despite recent action of the Commodity Credit Corporation in calling loans on old corn and that of the 1942 crop. On May 31, when the loans were called, the Corporation had sold nearly all corn obtained in settlement of its loans to producers. To help bring needed corn to market, it called loans on the 50 million bushels of corn from the 1938-41 crop under loan and on the 50 million bushels of 1942 corn under loan. Dead lines for payments were set at June 30 and July 15, respectively. Lightness of marketing re-

flects the tendency of Corn Belt farmers to hold corn for feeding, in response to favorable price ratios. Receipts of corn at primary markets, at around 3½ million bushels weekly, have been inadequate for processors, who need about 20 to 25 million bushels monthly. Commercial stocks from the middle of May to mid-June had been reduced from 31 million bushels to 16 million bushels.

Sales of feed wheat have been large this spring, and indications are that the last 50 million bushels authorized for sale were disposed of during June.

Central market prices for corn and byproduct feeds are holding at the ceilings. Feed mixers and livestock producers are taking all current production of oil meal and cake as it becomes available. Oil-meal production probably will be about 45 percent larger in April-September than in the comparable period last year.

DAIRY PRODUCTION: Outlook

DAIRYMEN, particularly those outside of the Corn Belt, faced protein feed shortages of varying degrees of severity during June, but better than average pasture conditions prevented abnormal reductions in milk production. Pasture conditions during the late spring and early summer were nearly 10 points above the 1932-41 average for the period. Milk production during the late spring and early summer, although still slightly below that for the same period of 1942, was 4 to 5 percent above the 1935-39 average for the period.

Canned milk (condensed and evaporated) and soft cheeses were added to the rationing lists on June 2. An order was issued also requiring manufacturers to set aside 75 percent of their monthly production of both roller and spray process dried skim milk during June and July for Government pur-

chase. These developments restrict civilian consumption of all major dairy products, except fluid milk. Rationing of canned milk is intended to conserve supplies for babies and for adults unable to obtain fresh milk. Civilian consumption of canned milk is expected to be reduced by 40 percent during the second and third quarters of 1943. Although 1943 production of dried skim milk for human consumption may be about 70 percent higher than in 1940, only the most essential civilian, Lend-Lease, and military requirements will be met. Per capita supply of fluid milk and cream for civilian consumption in the third quarter of 1943, however, is expected to be 3 percent higher than in the second quarter.

The 10 percent roll-back in butter prices became effective on June 10, when the Reconstruction Finance Corporation began paying a subsidy of 5 cents a pound at the creamery level for all butter manufactured after June 1.

LIVESTOCK, MEATS: Prices

ROLL-BACK in retail price ceilings of meats, averaging about 3 cents per pound, became effective in late June and early July. The reductions were equivalent to about 2 cents per pound on dressed carcasses and from 95 cents to \$1.30 per hundred pounds of live weight, depending upon species. The necessary reductions in processors' margins, the Office of Price Administration announced, are to be made up by subsidy payments by the Government to slaughterers and are not intended to cause a reduction in prices to livestock producers.

The subsidy went into effect on June 7, with payments to be made by the Defense Supplies Corporation, subsidiary of Reconstruction Finance Corporation. Any establishment that slaughters as much as 4,000 pounds of live weight per month is eligible for the subsidy. To prevent inventory losses resulting from the roll-back, the ceiling prices were reduced as follows: On fresh and frozen meat, prices were

cut at the packer level on June 14, at wholesale on June 19, and at retail on June 21. Reductions on cured and processed pork and beef were required June 28 at the slaughter level and on July 6 at wholesale and retail.

Several recent developments in the wartime livestock and meat program are important. Beginning in May, local slaughterers and butchers are required to make monthly slaughter reports to regional offices of the Food Distribution Administration, and wholesale slaughterers must make weekly reports to the War Meat Board. These reports are essential in enabling accurate day-to-day estimates of the national meat supply.

INSTRUCTIONS have been issued to meat inspectors and graders to assist in enforcing regulations as to pork cutting and trimming, with view to increasing lard yields and reducing the amount of fat left on meat cuts. Limitations also have been placed on the inventories of meat packers, restricting their cold-storage holdings of beef for civilian delivery to one-third their average weekly civilian quota and their stocks of pork to four times the average quota.

An order has been issued to federally inspected packers to set aside 45 percent of their steer and heifer beef that meets Army specifications, for use by the Army. This set-aside amounts to a little less than 30 percent of the federally inspected beef and about 20 percent of total beef produced from all slaughter. As a further step in the meat program, State and area meat-marketing supervisors and County War Meat Committees have been set up to help in the local administration of regulations for livestock and meats.

Cattle and lamb prices declined sharply when the roll-back on retail ceilings of fresh meats went into effect, but recovered later, partly because of a reduction in marketings. Hog prices are now only a little above the support prices, their decline since April

having relieved the squeeze upon slaughterers' processing margins. Slaughter supplies of hogs have gained since April, permitting increased purchases of pork and lard for Lend-lease shipments. Cattle slaughter, smaller than a year earlier, has made it difficult for the armed forces to obtain adequate beef supplies. Indications are, however, that cattle slaughter will pick up later in the year.

POULTRY: Marketings

POULTRY marketings have increased substantially in recent weeks as young chickens reached marketable age and fowls were culled from laying flocks in seasonally large numbers. Farm marketings of poultry will increase until the seasonal peak is reached this fall and in most of the remaining months of 1943 will be larger than the record marketings of the period last year. Laying flocks are larger than a year ago, and the number of young chickens on farms on June 1 was 15 percent larger than on June 1, 1942. Receipts of live poultry at midwestern primary markets in early June were more than double those in early May, although smaller than in the first part of June 1942.

Poultry prices in all markets continue at maximum ceiling levels. Demand is strong, although greater for young chickens, in relation to supplies, than for fowl. Demand for chicks is unprecedentedly large.

War Food Administration has advised poultrymen against further expansion in broiler-raising facilities, but the slaughter goal of 4 billion pounds dressed weight remains unchanged.

Egg production continues larger than last year's at this time, in spite of recent limitation upon the protein content of laying mash and the unfavorable influence of poor weather. Wholesale prices of eggs advanced between 1 and 4 cents per dozen from mid-May to mid-June, and the egg-

feed price ratio has been very favorable. Civilian supplies of shell eggs are expected to decline as production falls off. Supplies of eggs for civilians next fall probably will be considerably short of demand.

FATS, OILS: Production

PRODUCTION of inedible tallow and greases this year is expected to be in the neighborhood of 1,600 million pounds, compared with 1,740 million pounds in 1942. Tallow is derived mostly from cattle, and greases come from hogs and meat scraps.

Factors adversely affecting this year's production include (1) tendency of packers and butchers to leave as much fat on meat cuts as possible and to grind large quantities of fat into sausage, hamburger, and similar products; (2) decreased slaughter in federally inspected plants; (3) shortage of meat scraps for rendering, particularly in eastern areas.

Total disappearance of lard and shortening in the first quarter of 1943 was 9 percent greater than a year earlier. Government purchase of fats, oils, and soap totaled 662 million pounds in the first 5 months of 1943, 60 percent more than in the corresponding period of 1942. The quantity purchased was equivalent to about 14 percent of estimated production of fats and oils from domestic materials during the period.

On June 12, War Food Administration terminated the national marketing quota and revoked the national acreage allotment for peanuts produced in 1943. At the same time, Commodity Credit Corporation was made the sole purchaser of the 1943 crop of farmers' stock peanuts other than those to be used for planting in 1944 or to be processed by growers on the farm where produced and sold directly to consumers.

Cash farm income in 1942 from cottonseed, peanuts, soybeans, and flaxseed totaled 612 million dollars, compared with 413 million dollars in

1941 and 210 million dollars in 1940. Nearly half of the increase over 1940 came from soybeans.

WHEAT: Loan Rates

LOAN rates for the 1943 wheat crop, averaging \$1.23 at the farm, were announced July 1; for No. 2 Hard Winter at Kansas City it is \$1.37 per bushel, compared with \$1.27 in 1942. Loan rates in the various markets were generally about 2 cents higher than the wheat-price equivalent of the flour ceilings, except in the case of the loan on soft red winter wheat, which was 18 cents below the equivalent. When the loan was announced, wheat prices in the various markets ranged from about the same as the new rate to about 5 cents higher.

Wheat prices declined in June. Ordinarily prices decline in May and June in their adjustment to lower levels influenced by the new crop supply prospects. The decline this year was only moderate, reflecting the smallness of the crop in prospect relative to the likely disappearance in 1943-44. In past years in which the loan was in effect, market prices have declined below loan values early in the marketing season, then later rose gradually so that prices in most markets were above loan values.

TRUCK CROPS: Production

WITH growing conditions favorable for the most part, commercial truck crops made good progress in June, although growers in many northern sections had been unable to cultivate crops properly. The harvest for early crops in the South and West is ending. Harvest is active in Virginia, Maryland, and Delaware, where crops have grown rapidly under favorable conditions in June. Rapid progress was made during the month in the North Atlantic and East North Central States, although excessive weed growth may cause some abandonment of root-crop acreage. The season

in the East North Central States may be about 2 weeks later than usual. Growing conditions in the West were mostly good, but fairly cool weather in most areas held back plant growth somewhat.

PRICES: Outlook

FROM here on, Government price controls, commodity rationing, and taxation policies will exert a fuller effect upon retail food prices and consumers' costs of living than has been possible to date. Specific dollar-and-cents ceilings on prices, rationing, subsidies to processors, and wartime policies relating to wages and public fiscal action are designed to create better balance between supplies of goods and services and the amount of consumer purchasing power. Although the general price level may continue to edge upward, the restrictive influences will be strong.

Subsidized roll-back of retail prices on butter, fresh meats, and cured and processed pork products, which already have gone into effect, are expected to be followed with roll-back of prices on coffee and vegetables. Reductions authorized thus far probably will affect about one-fourth of the urban worker's food budget. The intended reduction in retail prices on these items would save consumers more than 2 percent on their food bills and nearly 1 percent on all living costs. Retail food prices have been rising rapidly during the war. Food by itself accounted for about 70 percent of the total increase in urban workers' living cost in the 6 months up to April. Costs for items other than foods has risen less than 3 percent since May 1942, when governmental controls were extended to nearly all nonfood items.

FARM LABOR: Employment

FARM employment increased seasonally into June, with 11,659,000 workers reported employed on farms June 1. There were about 2 percent fewer workers on farms than on June

1, 1942, and 5 percent fewer than the 1937-41 June average of 12,204,000. Wage rates, 37 percent higher than in June 1942, were the highest on record. Average rates, 1910-14=100, stood at an index of 251, compared with 239 on April 1 and with 183 a year earlier.

Nearly all of the decrease in employment from 1942 came from a decline of 6 percent in number of hired workers. Number of hired farm workers on June 1 was estimated at 2,697,000, compared with 2,880,000 a year earlier and with the 1937-41 June average of 2,975,000. Total employment in June was lower than in June last year in all regions except the East South Central and Pacific Coast States. An increase in number of family workers more than offset a decline in number of hired workers in the East South Central States. The number of both family workers and hired workers increased on the Pacific coast.

Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest, and taxes	Buying power of farm products ¹
1942			
January.....	149	146	102
February.....	145	147	99
March.....	146	150	97
April.....	150	151	99
May.....	152	152	100
June.....	151	152	99
July.....	154	152	101
August.....	163	152	107
September.....	163	153	107
October.....	169	154	110
November.....	169	155	109
December.....	178	156	114
1943			
January.....	182	158	115
February.....	178	160	111
March.....	182	161	113
April.....	185	162	114
May.....	187	163	115
June.....	190	164	116

¹ Ratio of prices received to prices paid, interest, and taxes.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

	5-year average		June 1942	May 1943	June 1943	Parity price, June 1943
	August 1909-July 1914	January 1935-December 1939				
Wheat (bushel).....cents..	88.4	83.3	95.7	122.8	124	145
Corn (bushel).....do.....	64.2	65.6	81.9	103.4	106	105
Oats (bushel).....do.....	39.9	32.5	46.5	61.2	64.5	65.4
Rice (bushel).....do.....	81.3	72.7	¹ 172.2	179.6	180	133
Cotton (pound).....do.....	12.4	10.04	¹ 17.92	20.09	19.96	20.34
Potatoes (bushel).....do.....	69.7	75.3	¹ 109.9	190.7	188	118.4
Hay (ton).....dollars..	11.87	8.33	¹ 10.01	12.66	12.20	19.50
Soybeans (bushel).....do.....	² .96	.92	1.63	1.72	1.73	1.57
Peanuts (pound).....cents..	4.80	3.48	5.51	7.01	7.01	7.87
Peanuts for oil (pound).....do.....	² 35					3.85
Apples (bushel).....dollars..	.96	.89	1.66	2.40	2.70	1.57
Oranges, on tree, per box.....do.....	¹ 1.81	1.11	2.05	2.35	2.59	1.88
Hogs (hundredweight).....do.....	7.27	8.38	¹ 13.38	13.90	13.60	11.90
Beef cattle (hundredweight).....do.....	5.42	6.66	¹ 10.68	12.91	12.80	8.89
Veal calves (hundredweight).....do.....	6.75	7.80	¹ 12.31	14.30	14.20	11.10
Lambs (hundredweight).....do.....	5.88	7.79	¹ 11.96	13.83	13.50	9.64
Butterfat (pound).....cents..	26.3	29.1	37.4	50.6	¹ 9.2	³ 39.5
Milk, wholesale (100 pound).....dollars..	1.60	1.81	¹ 23.4	¹ 3.03	⁶ 3.02	² 2.33
Chickens (pound).....cents..	11.4	14.9	18.5	24.7	25.1	18.7
Eggs (dozen).....do.....	21.5	21.7	27.4	34.2	35.2	² 28.9
Wool (pound).....do.....	18.3	23.8	¹ 40.3	41.4	41.3	30.0
Tobacco:						
Maryland, type 32 (pound).....do.....	⁷ 22.9	17.6	33.0	46.0	57.0	23.8

¹ Revised.

² Comparable base price, Aug. 1909-July 1914.

³ Comparable price.

⁴ Comparable base price, August 1919-July 1929.

⁵ Adjusted for seasonality.

⁶ Preliminary.

⁷ Base price crop years 1919-23.

States in the Pacific coast region had the highest wage rates for farm workers and the sharpest increase over June 1942 rates—a gain of 50 percent. In the same period, rates in New England, Middle Atlantic, and the East North Central States increased about 25 percent, and in the Southern States they averaged increasing 35 percent. Since April, increases have been greatest for wages without board.

Farmers as a whole worked an average of three-fourths of an hour longer per day in June than a year earlier. More women and children were being employed than is usual for the season. Much of the work is somewhat later this year than ordinary.

WOOL: Purchase Program

WOOL growers and growers' pools may now sell shorn wool direct to mills anywhere in the country, as result of an amendment to Food Distribution Order 50, announced June 12 by War Food Administration. The amendment removed the limitation set by the original order, which permitted direct sales to mills located within a 50-mile radius of producers' enterprises. This limitation has been lifted, because it was found to work hardship upon producers dealing with mills at greater distances than 50 miles. The total amount of wool purchased by any manufacturer from producers between April 25 and December 31, 1943, however, cannot exceed the total purchased directly from producers during calendar year 1942.

Under the amendment, all shorn wools produced in 19 Atlantic Coast and Cotton Belt States are exempt from requirements of FDO-50. Shorn wools from these States can be handled exactly as in earlier years and need not be sold to Commodity Credit Corporation. The States thus exempted are the New England States, New Jersey, Delaware, Maryland, Virginia, North and South Carolina,

Georgia, Florida, Tennessee, Alabama, Mississippi, Arkansas, and Louisiana. Their production altogether is less than 2 percent of the country's total clip and is too small to support a specialized wool purchase program. In other States, all domestic shorn and pulled wool that had not been sold by producers by April 25 must be sold to Commodity Credit Corporation. This wool is being bought by dealers and cooperatives, as agents for the Corporation, with growers receiving ceiling prices, less specific charges for handling, transportation, and interest.

Prices for domestic wools at Boston have been unchanged since April 25, when the Government purchase program started.

FRUITS: Prices

PRICES of all fresh fruits are at levels far above those of a year ago. Since mid-May, oranges and grapefruit have continued to sell at ceiling levels, and lemon prices have climbed to ceiling levels. Apple prices during June continued their larger-than-normal seasonal advance, and strawberries in the first part of July were selling at about double the price a year earlier. Plums, cherries, prunes, and apricots, now moving to market in volume, are selling at prices far above those at this time last year.

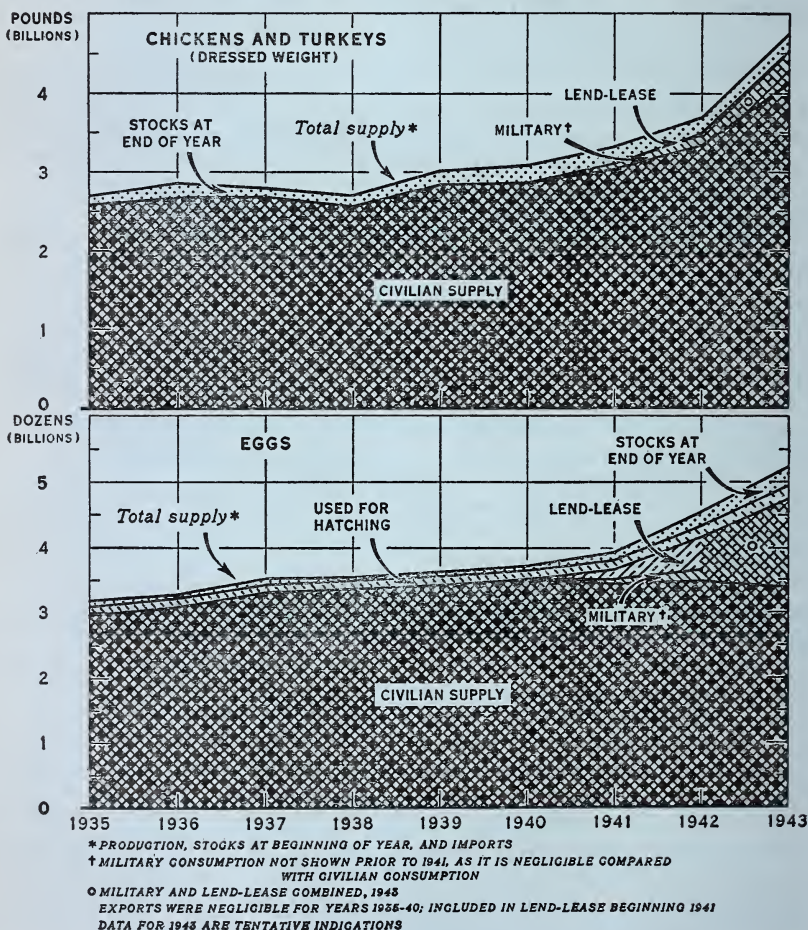
It now appears that combined citrus production from the 1943 bloom, for marketing in the fall of 1943 and in 1944, will be about the same as in the 1942-43 season. Deciduous fruit production this year may be 10 percent below last year's. The peach crop will be about two-thirds the size of the 1942 crop. The crop of apricots, pears, cherries, and apples will be smaller than in 1942. Prune, grape, and fig crops will be larger. On the basis of June 1 indications, it appears that total fruit production in the 1943-44 season will be about 5 percent less than in 1942-43.

INCOME: First Quarter

AGRICULTURAL prices and the demand for farm products are affected, respectively, by two recent important controls—the roll-back of retail food prices and the job-wage-freeze order of April 17. The roll-back, which applies to retail prices of meats and butter, was promulgated along with subsidies to processors of those foods. It will help reduce the pressure on prices that rationing has already helped alleviate. Consumer demand is similarly affected by controls in consumer income.

During the first quarter of 1943 consumer income was at an annual rate of 135 billion dollars, compared with the rate of 127 billion in the preceding quarter and 106 billion in the first quarter of 1942. Income rose 1.7 times as fast during the first quarter of 1943 as it did a year earlier. This large gain in income, even when modified by increased taxes and savings, comes at a time when the physical volume of goods and services is smaller than in 1942.

POULTRY AND EGGS: SUPPLY AND DISPOSITION, 1935-43



THE FOOD CONFERENCE

“**T**OGETHER, we are fighting a common enemy. Together, also, we are working to build a world in which men shall be free to live out their lives in peace, prosperity, and security.” With these words from President Roosevelt as inspiration, the United Nations Conference on Food and Agriculture got under way May 20 at Hot Springs, Va. The Conference was made up of 166 delegates and aides, representing the grand alliance of World War II—the 34 Nations and authorities signatory to the Declaratory of the United Nations and their 12 associate nations.

Three weeks later, after study of the world's food needs and production capabilities, the Conference adopted a document called the Final Act. This instrument set forth a Declaration of Principles by which the Conference believed Nations may hope to realize freedom from want of food. The Declaration emphasized the need for urgent and concerted efforts to economize consumption, to increase supplies and distribute them to the best advantage, if critical food shortage is to be alleviated in the period immediately after the war. For the longer post-war period, it said, “we must equally concert our efforts to win and maintain freedom from fear and freedom from want. The one cannot be achieved without the other.” It pointed out that poverty is the “first cause” of hunger and malnutrition, and urged expansion of both agricultural and industrial production, to provide the purchasing power needed to maintain adequate nutrition to all. The recommendations were offered with the injunction that the present is the best time to prepare for solving the problems of post-war.

THE second part of the document was devoted to two recommendations: (1) That Governments represented should make a formal agreement upon their obligation to collab-

orate in raising levels of nutrition and standards of living of their peoples and agree to report to one another on the progress achieved; and (2) that the Governments establish a permanent organization in the field of food and agriculture.

Resolutions of the Conference called for creation of an Interim Commission to begin carrying out of these recommendations. It was suggested that the Commission meet in Washington by July 15, 1943, to formulate and recommend a specific plan for a permanent international organization in the field of food and agriculture. This Commission also will prepare an intergovernmental declaration setting forth mutual obligations to raise standards of living and levels of nutrition, to improve agricultural production and distribution, and to cooperate with other nations by means of the permanent organization and periodic reports.

THE body of the Final Act was made up of resolutions and recommendations touching each of the 31 subjects in the Conference's agenda. Eleven working committees discussed and explored these subjects throughout the sessions. From these deliberations came reports, accompanied by the resolutions and recommendations appearing in the final Act. These documents were issued in three series, corresponding to the first three of the technical sections of the Conference. Section I issued a report and recommendations on “Consumption Levels and Requirements.” Section II was responsible for “Expansion of Production and Adaptation to Consumption Needs.” Section III reported on “Facilitation and Improvement of Distribution.” Section IV prepared the Conference's declaration and the plan for the Interim Commission.

Throughout the Conference, great emphasis was put upon the necessity for future international organization

and collaboration in bringing world production and consumption into balance. The consumer's problems were given sharp attention. Need for adequate nutrition of all peoples and of adjustments to make such nutrition possible was stressed. Conservation and other modern methods of efficient agriculture were urged. And there was agreement that distribution will be improved only as conditions of international security are established that will make possible an expanding and balanced world economy.

Although the Final Act represents the Conference's major conclusions, the sessions aided in many ways to clarify international understanding on the world's food problems. The delegations from day to day issued declarations of their own upon food problems. These statements presented in more or less finished form the chief points promulgated in the Final Act. Of more than usual interest were the statements of the British, Russian, and United States delegations. The first of these stressed the importance of nutrition in considering the need for increased consumer purchasing power. The Russians asked help in feeding the Red Army and in agricultural reconstruction after the war—topics not formally on the agenda, though much in the air. The delegation of the United States set forth the necessity for a continuing food and agricultural organization.

THE suggestions of the Conference underlined the fact that its aims were neither entirely economic nor political. Primarily, it was a meeting of experts in agriculture. At the same time, there was latent a realization that the Conference was closely connected with the United Nations' diplomatic strategy, both in respect to post-war objectives and to the development of war aims. This implied purpose was given explicit pronouncement on several occasions. President Roosevelt thus stated it in his letter to the opening session and in his talk to the dele-

gates, assembled in Washington after the Conference had closed. Judge Marvin Jones, who presided over the general sessions, also spoke of this second purpose. These attitudes were crystallized in the Final Act's Declaration. At the same time, the economic objective was outlined in the Summation, prepared by the Conference as a running account of its work.

Bitter experience with a world in chaos helped to guide the minds of the delegates into constructive channels of post-war thought. Some of this experience was economic—drawn from years of agricultural depression and the paradox of poverty amidst plenty. One of the notable results of the meeting was the British "buffer stock" proposal, which in the United States suggested comparison with the ever-normal granary. The substance of the "buffer stock" idea was that surpluses would be stored in fat years for distribution in lean years; but that they would be administered from the standpoint of consumption rather than price stabilization. Other precedents were taken from wartime rationing experience. On the other hand, precedents of organization existed in the field of international agriculture. The work of the International Institute of Agriculture and the League of Nations were studied and to some extent followed in the preparation of recommendations.

TWO major problems were surmounted in the Conference. The first problem was to establish the Conference's scope. The view that recommendations should be made on post-war food and agricultural relief policies was especially strong with the delegations of Nations devastated by war or needing considerable development and tools to become major food producers. As the discussions evolved, however, the relief problem was set outside the direct jurisdiction of the Conference. A question arose also over the relative post-war importance of larger economic questions of tariffs, trade, finance, and so on. It was

agreed that this larger aspect was germane to the immediate subjects of food and agriculture, and accordingly it finds statement in the Final Act.

Among the specific American contributions were statements by Paul H. Appleby, Under Secretary of Agriculture and acting chairman of the United States delegation; Dean Acheson, Assistant Secretary of State; and Thomas Parran, Surgeon General of the United States Public Health Service. The first two helped clarify the aims of the Conference, endorsed the broader economic view, and spoke in favor of international cooperation to stimulate production and increase buying power so that maximum food supplies could be fairly distributed among the peoples of the world. Mr. Parran contributed to the emphasis on better nutrition.

"If everybody could have a good income," he said, "then by education you ought to be able to see that everybody is well fed." He added that adequate protective foods in the normal diet would extend the active, virile productive span of human life by 10 years.

ON June 8 President Roosevelt addressed the assembled delegates

in Washington. He reviewed the work of the Conference and praised the delegates' unity of effort. He pledged that the preliminary action requested of the United States Government, in connection with establishing the Interim Commission, would be forthcoming and endorsed the Conference's emphasis on the future consideration of food and agricultural problems in their relation to international economic problems. Finally, describing the ultimate objective of the Conference, he said:

"It is to build for ourselves, meaning all men everywhere, a world in which each individual human being shall live his life in peace; to work productively, earning at least enough for his actual needs and those of his family; to associate with the friends of his choice; to think and worship freely; and to die secure in the knowledge that his children, and their children, shall have the same opportunities.

"That objective * * * will not be easy to achieve. But you and I know also that, throughout history, there has been no more worth-while, no more inspiring, challenge."

SIERT RIEPMA,

Bureau of Agricultural Economics.

FOOD OUTLOOK

WEATHER conditions in many sections of the country were improved in the latter part of June, and crop prospects are now more favorable than they appeared in the June crop report. On the basis of June crop conditions, the present and prospective livestock production, and available stocks, the food outlook for the remainder of the year can be seen more clearly than before.

Through rationing and Government set-aside orders, stocks of many food commodities have been built up during the season of high production. Also, consumption of rationed foods is likely to be maintained at the present level for the rest of the year. Livestock production has greatly increased dur-

ing recent months, and for the year as a whole will probably exceed the record production in 1942. Federally inspected slaughter of sheep, lambs, and hogs was of record size for the month of May; and in spite of a large Government set-aside order for steer and heifer beef, supplies of meats for civilians should become more plentiful than they have been in the past few months. Stocks of manufactured dairy products on hand appear to be sufficient to maintain the present level of consumption until the next season of high production. For the year as a whole, however, per capita consumption of most dairy products, except fluid milk, will be below last year.

Supplies of poultry for consumers

will continue to increase until the seasonal peak is reached late this fall and in most of the remainder of 1943 will exceed the record quantities of a year earlier. Supplies of shell eggs for civilians this summer and fall probably will be as large as a year earlier though seasonally smaller than the supply of recent months. Stocks of food fats and oils, both at the retail and wholesale level, appear adequate to meet the demand under rationing in practically all areas.

THE citrus fruit crop harvested this season was of record size, but early frosts and generally bad weather are likely to reduce production of deciduous fruits to about 90 percent of last year. Most of this reduction will occur in areas producing for the fresh market. The total supply of canned fruit and fruit juices in the 1943-44 season probably will be no more than three-fourths of that last season. However, dried fruit production is likely to exceed that of 1942. Largely as a result of bad weather, the supply of commercial vegetables for the fresh market so far this season has been about 13 percent

smaller than at this point in 1942. Growers have indicated intentions to plant a larger acreage of major processing truck crops in 1943 than in 1942. However, frequent rains have prevented many from planting crops at the usual times, and the delay is likely to reduce yields. Supplies of potatoes during the next few weeks are expected to be relatively large.

The June condition of the wheat crop indicates a probable output of 731 million bushels, compared with 981 million bushels in 1942. But with favorable weather in the next 2 months, the total crop may be larger than now indicated. The supply of rye for the 1943-44 year is expected to be the largest since 1922.

Prospects for feed crops on June 1 were not as favorable as on that date in 1942. With average growing conditions in the rest of the season, the 1943-44 supply of feed grains (including wheat and rye available for feed) probably will be 11 percent smaller than the 1942-43 supply, but 31 percent larger than the 1935-39 average.

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LIVESTOCK TRANSPORTATION

WITH shortages of tires, gasoline, and motortrucks reducing the volume of motor transportation of livestock, a renewed dependence upon rail transportation is being felt by livestock producers in many areas.

Before the war, transportation of livestock for years had been shifting rapidly from rail to motortruck. By 1941, more than two-thirds of the cattle, calves, and hogs, and more than one-third of the sheep and lambs received at over 60 important public stockyards in the country came by truck. To many of these markets trucks delivered nearly all of the livestock. Receipts of livestock at most of the local markets of various types were predominately by truck.

Under wartime conditions, however,

something of a reverse swing is under way. Motortrucks are continually wearing out and few new ones have been available for replacements. Use of trucks is restricted by difficulty in getting repair parts, need for conserving tires and gasoline, the shortage of operators and mechanics, and the reduced speed at which motor vehicles are permitted to operate. Programs for truck conservation have been put into effect in many sections, some by truck operators themselves and others by the Office of Defense Transportation, County War Boards and livestock industry transportation committees. As result, trucks transporting livestock are being operated more efficiently, mileage in assembling livestock has been reduced, and an in-

creasing proportion of trucks go to market with full loads. At the same time, some shift to rail transportation has been made, and more can be expected.

UNDER the circumstances, this type of change should be encouraged, particularly as it applies to livestock moving longer distances, if the railroads are in position to handle an increased volume. In order to throw light on this subject, the Bureau of Agricultural Economics has made a study to determine what facilities are available for handling livestock at country shipping points in the Corn Belt region.¹ Although no information was assembled for the rest of the country, it may be assumed that the situation there will have many points in common with that in the Corn Belt.

Railroads in the Corn Belt have enough stockyards and other facilities at local shipping points to handle a materially increased volume of livestock, except in certain areas in States along the eastern part of the region and in a few other places. In the 14 States comprising the 12 North Central States and Kentucky and Oklahoma, 72 percent of towns on railroads have stockyards. Stockyards are much more common in States along the western border than elsewhere. In North Dakota and Kansas, more than 9 out of 10 towns have stockyards. In Michigan, Ohio, and Kentucky, on the other hand, stockyards are available in less than half the towns. Towns in areas adjacent to important markets are more generally without stockyards than those located farther away. However, stockyards are maintained in some of these, but are used largely for unloading cattle and lambs shipped in for feeding. Stockyards are more commonly missing in towns on branch lines with poor railroad service than in those located on main lines with good service.

¹ Railroad Facilities for Handling Livestock at Shipping Points in the Corn Belt Region, Bureau of Agricultural Economics, U. S. Department of Agriculture, May 1943.

LOCAL rail stockyards in some areas apparently need repairs if they are to be used more extensively. Many of those that are poorly drained, and some of those located on unimproved dirt roads, are not satisfactory for use in wet weather. Some of the stockyards on branch lines that have poor railroad service probably will not be used to any great extent.

For the region as a whole, three-fourths of the towns having stockyards are located less than 10 miles from other towns with stockyards on the same line. Only 8 percent of the towns are 15 miles or more from other stockyards on the same line. Many towns have no stockyards, chiefly because old yards have been abandoned. The pre-war shift of transportation to trucks left these yards unused. Some were dismantled and moved elsewhere. Many others are in poor repair, but can be put in usable form by the railroads at small expense.

The number of stockyard pens at country shipping points varies. For the region as a whole, 13 percent of the stockyards have only 1 pen and 27 percent have 2 pens each. Nearly three-fourths of the stockyards have 4 pens or less, and only 4 percent have more than 10 pens. In areas where abandonment of yards has been considerable, the small yards usually are the ones that have disappeared.

ALL railroad stockyards have single-deck loading chutes, but only 41 percent of those in the region are equipped to load double-deck cars. Double-deck loading chutes generally are available at concentration yards, at assembly points used by local cooperative shipping associations and dealers, and at yards used for unloading lambs brought in for feeding. Some railroads provide loading chutes at a few local stations or on railroad sidings, without providing stockyards.

Livestock scales have been removed at many existing stockyards. In some cases where scales are available they are maintained by local cooperative

associations, dealers, or other regular shippers, instead of by the railroads. Where livestock scales are not available at local stockyards, the animals can generally be weighed on other local scales if weighing is necessary before shipment. Water facilities are available at 80 percent or more of the stockyards in Iowa, Minnesota, Ohio, and North Dakota, but are provided at less than half of the yards in Oklahoma. Where water is available it is provided free by the railroads to those who use the yards.

When livestock is marketed it is largely moved from farms by truck. If shipped by rail, it moves from the farm to the local shipping point by truck. If shipped by truck, it is usually moved all the way from the farm to final destination without being transferred. If the distance to market is relatively short, say less than 75 or

100 miles, much inconvenience and in many cases additional expense can be avoided if the livestock loaded at the farm can be moved uninterruptedly to final destination by motortruck.

The extent to which the transportation of livestock can be shifted from truck to rail without taxing existing assembly and loading facilities at railroad shipping points will need to be carefully watched. The situation next fall may become critical. If repairs are needed to make existing yards usable, or if more yards are needed, steps should be taken to provide them. The problem must be appraised by areas because there is wide difference with respect to both the use made of rail transportation, and the extent to which stockyards have been abandoned.

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WHEAT OUTLOOK

THE wheat situation now is strikingly different from last year, when supplies were overtaking storage facilities. Last fall all regular storage space was filled, and vacant garages and even schoolhouses were used to shelter the large grain supplies. Stocks of wheat had been accumulating under the ever-normal-granary program, but were given a big boost by a large crop in 1942, the result of favorable growing weather. Wheat supplies (carry-over plus crop) at 1.6 billion bushels was the largest in our history. Disappearance during the year ending June 30, 1943, however, also has turned out to be the largest on record—so large in fact that it used all of the big crop and reduced the carry-over from 632 million bushels on July 1, 1942, to 600 million bushels this July. The carry-over in the period 1933-42 averaged 270 million bushels. The 1942-43 disappearance, totaling 1 billion bushels, amounted to one-fourth of the usual disappearance for the world, excluding the U. S. S. R. and China. The large disap-

pearance was the result of unusually large quantities being fed to livestock, which, together with quantities used for alcohol and seed, raised total nonfood uses of wheat to more than 85 percent as much as was used for food. All of the 275 million bushels of wheat for feed authorized by Congress was sold by the Commodity Credit Corporation. The last 50 million bushels were authorized on June 14.

WITH a carry-over on July 1 indicated at 600 million bushels and a crop estimated at 791 million bushels, supplies for 1943-44, excluding imports, will approximate 1,390 million bushels. Disappearance is expected to be even larger than in 1942-43. Analysis of the prospective feed-grain-supply and livestock-requirement situation indicates that very large quantities of wheat for feed could be utilized to advantage. It is expected that imports of wheat for feed will supplement domestic supplies, but these will undoubtedly continue to be limited by shipping space. With the continued need of large quantities

of wheat for alcohol and allowing for some further increase in food use and for exports, total disappearance in 1943-44 may be about 1.1 billion bushels. Such a disappearance would bring the carry-over on July 1, 1944, down to about 250 million bushels—adequate to cover working stocks of 125 million bushels, 75 million bushels as a reserve against poor crop yields, and a 50-million-bushel commitment under the International Wheat Agreement for post-war relief.

Indications now are that domestic wheat supplies will dwindle down to what might be considered a minimum reserve by July, 1944. Because of this prospect, a question naturally rises as to prospects for the following year, when the country will not have large reserves to fall back on. The answer lies in increased production in 1944. Foreseeing the situation ahead, the War Food Administration in July urged that the acreage be stepped up to about 68 million acres of wheat, which represents an increase of 26 percent, compared with the 54.2 million acres seeded for harvest in 1943, but about the same as the 1932-41 average of 68.9 million acres.

ALTHOUGH 68 million acres is about 16 percent less than 81 million acres seeded for harvest in 1937, this seems a reasonable goal in view of the need for other crops. It was pointed out in the announcement by the administration that, generally speaking, wheat should be planted wherever it can be grown without undue hazard and wherever it will produce more nutrients per acre in relation to labor and machinery requirements than other crops. It was further pointed out that it will be extremely important to guard against overexpansion in hazardous areas and against breaking native sod or plowing land that has been restored recently to grass cover.

From the above it is apparent that the United States will not have an excess of wheat to supply other coun-

tries, beyond moderate lend-lease requirements and regular exports, and its commitments under The International Wheat Agreement. However, supplies in Canada are adequate to meet very large overseas requirements. With a record carry-over there, plus the surplus from the new crop, Canada will have supplies of about 800 million bushels for export in 1943-44. This would be more than enough to take care of any likely requirements. In addition, exportable surpluses in both Argentina and Australia are of record size and will be available as soon as the shipping situation is eased.

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PEANUT STOCKS

FARMERS' stock peanuts milled in the 1942-43 season up to June 1 totaled 1,458,839,000 pounds, compared with 905,293,000 pounds to the comparable date in 1942. Farmers' stock peanuts, cleaned and shelled, amounted to 1,154,718,000 pounds, compared with 759,076,000 pounds up to June 1 last year. The total of 304,121,000 pounds crushed through May 31 was more than double the 146,217,000 pounds total for the period in 1942. Farmers' stock peanuts at mills and in warehouses totaled 279,016,000 pounds, compared with holdings of 390,701,000 pounds a month earlier and 195,408,000 pounds on May 31, 1942.

Indicated disappearance of edible grade shelled goods during October 1942 through May 1943 totaled 572,908,000 pounds, compared with 395,383,000 pounds for the comparable period a year earlier. Stocks of these goods declined from a total of 149,820,000 pounds in April to 135,117,000 pounds on May 31 but were 20 percent higher than on the comparable date of 1942. Indicated disappearance of cleaned peanuts (in the shell) from October 1942 through May 1943 was nearly 5 percent lower than for the like period of 1941-42.

EGG MARKETS FOR THE SOUTH

EGG production has increased steadily in the United States in the past 2 years in response to wartime demands. This increase has occurred not only in areas normally producing eggs on a commercial scale, but also in virtually every area of marginal and submarginal poultry and egg production. This is true because the Nation has needed all the eggs it could get, in addition to those from the established producing areas. The eggs that Farmer Jones produced on his farm in Georgia helped to fill the Nation's egg basket just as much as those produced by Farmer Brown in the heart of the Corn Belt.

The big problem involved in this new situation, of course, was to get Farmer Jones' eggs to market so they could become a part of the Nation's egg basket. Areas of marginal and submarginal egg production offered little in the way of well-established market outlets for eggs. In many of these areas, eggs were equivalent to "cash money" and were exchanged by farmers for "store" food, clothes, and other necessities. These barter markets could absorb a fair amount of eggs, but were not equipped to handle large quantities in the period of heavy production. At best, the storage facilities were inadequate and these markets had practically no means of grading eggs. Of great importance to the producer also was the fact that they afforded little means of avoiding wide fluctuations in prices. In brief, lack of facilities in these areas for handling eggs in great volume was bound to discourage expansion of war-essential egg production. These conditions were especially acute in the South.

In February 1942, therefore, the Southern Egg Marketing Program was launched to help solve the egg marketing problem in the South's areas of marginal and submarginal egg production.

IN a sense, it was a large governmental purchase program for southern-produced eggs. Price supports for eggs—a floor under the egg market—had been announced for the entire Nation. What the Southern Egg Marketing Program provided was a medium by which this support could be brought to egg producers in the South. It was a voluntary program, available to any of the 12 Southeastern States desiring to use it.

This program contained provisions for purchase of eggs at established prices, in keeping with price support levels for the Nation; purchase of eggs in lots of 10 cases or more at buying stations operated by agents under contract to the Food Distribution Administration; candling and grading by Federal-State graders of all shell eggs purchased. It also provided opportunity for Southern farmers, co-operatives, dealers, and others to market their eggs throughout the season of heaviest production.

Immediate aim of the program was to encourage production of eggs in the areas of small production and to provide a market for the eggs. It also demonstrated to farmers and businessmen of the South the advantages of well-established local markets that could operate at price levels in keeping with those at large terminal egg markets throughout the country. In this respect the program had important implications for the post-war future of southern egg production. After the war, the existence of well-established markets will be even more necessary than now, if egg and poultry production is to be more than a casual activity, incidental to other agriculture.

DURING the first year of the program, 7 Southern States—Virginia, West Virginia, North Carolina, South Carolina, Georgia, Louisiana, and Florida—took part. First operations began in March in North Carolina, extended to the 6 other States shortly

thereafter and continued in the flush production through June 30.

During 1942, as part of this program, agents of the Food Distribution Administration—then the Agricultural Marketing Administration—purchased more than 29,000 cases of shell eggs valued at more than \$255,000. For these eggs farmers received prices established at not less than 85 percent of parity, which was the price support level for egg production throughout the Nation.

From the start, egg producers who maintained small farm flocks of layers were provided a cash market for eggs in relatively small lots. Also, more than 23 buying stations set up under the 1942 program in these 7 States. In many instances, these were the first established markets for eggs the areas had ever had.

The 1943 program follows the same general line as that in 1942, but its scope is broader. The program for 1943 is being carried on in 12 Southern States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Also, it emphasizes much more heavily the utilization in the South of eggs produced in the South. In addition to its 1942 features, the 1943 program is designed to encourage agents of the Department to sell eggs to Army camps, to war industry plants, or to other local outlets. Meantime the Food Distribution Administration stands ready to buy the eggs purchased by its agents. The prices paid to agents by the Food Distribution Administration are the announced prices, plus 4 cents a dozen to cover costs of handling, grading, inspecting, packing, and storing.

The agent's part is to buy shell eggs from producers, cooperatives, dealers, or other vendors, in lots as small as 1 dozen. These agents pay the producers not less than the established prices applicable to each grade, and assemble the purchased eggs in 10-case lots, if the eggs are to be delivered to the FDA.

SUPPORT prices announced under the 1943 program are based upon the commitments of the Department to support the market at a United States average farm price, for all marketable grades and sizes, of 30 cents a dozen in the spring and early summer months and a United States average of 34 cents a dozen for the year.

The program is set up to function during the months of heaviest production and for as long in 1943 as it was needed. Operations for all States participating are conducted through regional offices at Atlanta, Ga., Dallas, Tex., and New York City.

Thus far in 1943, through this program the FDA has accepted delivery of more than 16,000 cases of shell eggs valued at more than \$158,000. The quantity of eggs delivered to the FDA, however, represents only a portion of that handled by FDA agents.

The buying stations operated by the agents not only have provided an outlet for eggs produced in many areas of the South, but also have prevented local gluts during the period of large production. Further, the agencies have sold many cases of eggs for use locally and in Army camps and factories producing materials for war.

Through this program, the Nation has been enabled to obtain maximum benefit from the egg production expansion in the South. This activity has helped to give the southern producer a price for his eggs in keeping with prices at terminal markets, and has brought him "cash money" based upon the quality of eggs he has had to sell.

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Food Distribution Administration.

Cash income from farm marketings rose from 240 percent of the 1935-39 average in February to 260 in March, on basis of seasonally adjusted index numbers. If the income level of the first quarter maintained through the year, farmers would realize around 3 billion dollars more income from marketings than the record of 15.4 billions received last year.

PIG CROP PROSPECTS

THE 1943 spring pig crop will be about 74,000,000 head, the Department of Agriculture estimated in June. This is about 13,000,000 head, or 22 percent larger than last year's spring crop. A fall pig crop of about 53,000,000 head is indicated. This is about 9,000,000 head, or 21 percent, above the 1942 fall pig crop. The estimated spring and fall pig crops combined total about 127,000,000 head, compared with about 105,000,000 head in 1942 and a 10-year average of 73,148,000. The estimated number of hogs over 6 months old on June 1 this year is greatly above the number in any other year and is 26 percent higher than the June 1, 1942, estimate.

The number of pigs saved in the spring of 1943 is estimated at 74,050,000 head. This number is 22 percent larger than the 1942 spring crop, which was 15 percent above the previous record crop of 1931. The pig crop is larger than last year in all regions and in all States. The largest relative increases occurred in regions outside the Corn Belt. There was a 20-percent increase in the North Central States, a 12-percent gain in the East North Central, and a 25-percent gain in the West North Central. Increases in other geographic divisions are: In North Atlantic, 35 percent; South Atlantic, 23 percent; South Central, 28 percent; and Western, 24 percent.

In the spring season of 1943, 12,140,000 sows farrowed, an increase of 26 percent over 1942. This number is but little different from that indicated in the December 1942 Pig Crop Report, based on farmers' reports on breeding intentions for the spring of 1943. The average number of pigs saved per litter this spring is 6.10 compared with 6.31 in 1942 and a 10-year average of 6.05. Averages per litter were off in most of the important hog-producing States, but the largest drop was in the Eastern Corn Belt, where weather early in the farrowing season was quite unfavorable.

For these 5 States as a whole the average dropped from 6.64 in 1942 to 6.19 this year.

Monthly distribution of farrowings showed larger percentages of sows farrowed in April and May this year than last. The May percentage was the largest for all years since 1935 and second largest in 14 years for both the United States and the Corn Belt.

NUMBER of sows expected to farrow in the fall season of 1943 is 8,516,000, an increase of 1,691,000 sows, or 25 percent, over the number farrowed last fall. Compared with the 10-year (1932-41) average, this number is up about 88 percent. As with spring farrowings, the largest relative increases are in the regions outside the Corn Belt. By divisions of States, the expected increases over last year are: North Atlantic, 55 percent; East North Central, 24 percent; West North Central, 21 percent; all North Central, 23 percent; South Atlantic, 29 percent; South Central and Western, 24 percent. In interpreting breeding intentions this year, it was assumed that the relationship between intentions and subsequent farrowings would be fairly similar to other years of high hog prices and fairly high hog-corn ratios. No allowance was made for any action which the War Food Administration may take to induce farmers to hold down their fall farrowings, nor to the fact that corn supplies relative to the number of hogs to be fed are not as abundant as would ordinarily be indicated by the current hog-corn ratio as calculated from current market prices for corn and hogs.

If the indicated number of sows is farrowed this fall, and the number of pigs saved per litter is equal to the 10-year (1932-41) average, the number of fall pigs this year would be about 53,000,000. This number added to the estimated 74,000,000

spring pigs saved this year would give a total yearly pig crop of 127,000,000. This would be 22,000,000 more pigs than were saved in 1942 and 54,000,000 more than the 10-year average. Number of hogs over 6 months old on farms is estimated at 36,257,000 head, about 26 percent larger than at this time

last year, and much the largest total ever on farms at this date. For the North Central States, the estimated number is about 23,000,000 head, an increase of over 5,000,000 head, or 29 percent.

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CHANGES IN SIZE OF FARMS

THE amount of land in farms in this country has increased consistently as far back as records go. Since 1850, for example, it has grown from a total of 300 million acres (16 percent of the total land area), up to 1,061 million acres in 1940 (56 percent of the land area). The number of farms, as classified by the Federal Census, increased from 1½ million in 1850 to above 6 million in 1910. In the period since 1910 farm numbers have been fluctuating between 6 and 7 million, approaching 7 million in 1935 and dropping to almost 6 million in recent years. Meantime, changes in number of farms and in the acreage in farms have reduced the average size. Thus the average size of farm in 1850, which was 203 acres, declined to 138 acres in 1910, then swung upward to 174 acres in 1940. Between 1935 and 1940, a 10.5 percent decline in number of farms and an 0.6 percent increase in the land in farms resulted in a gain of 19.2 acres for the average size farm.

UNDER current war conditions, when there is great need for maximizing not only the total production, but also the production per farm operator, this trend toward a larger average-size farm is in the right direction. That is not to say, however, that the changes in size that have been occurring are all desirable ones, or that they have necessarily brought better distribution of the Nation's land resources among the 6 million farm operators. Two opposite movements have been under way—an upward trend in the

number of very small farms, and a trend toward an increased number of very large farms. These two trends have resulted in a decrease in the number of farms ranging around the average size. Between 1930 and 1940 the number of farms of 3 to 19 acres increased by 155,000 (49 percent), whereas farms of 20 to 259 acres decreased by 371,000 (8 percent). At the same time the number of farms of 260 acres and over in size increased 31,000 (4.5 percent). The small farms during this 10-year period, those between 3 and 19 acres in size, gained 587,000 acres (6 percent), middle-sized farms, those of 20 to 259 acres lost 20,409,000 acres (5 percent), and the larger farms gained 93,913,000 acres (17 percent).

These trends, revealed by census data, must be appraised with an eye to certain characteristics of census data. In the Western States where the most pronounced increase occurred in large farms, a large amount of land formerly grazed as open range land and therefore not included in the acreage of farms, in 1940 for the first time was included as farm acreage because leased by farm operators under the Taylor Grazing Administration's programs. In the Southern States, where a substantial increase also occurred in the average size of farms, the shift away from tenant and cropper labor to hired labor by plantations resulted in the enumeration of these plantations by the census as fewer farm units. If proper allowance is made for these changes, however, there is still seen

a net increase in the size of farms for the country as a whole in the last decade.

THE net change in number and size of farms from 1930 to 1940, is considered to indicate more accurately the direction of current trends than the data for 1935 and 1940. The number of farms enumerated in 1935 was 524,000 more than in 1930, whereas the number enumerated in 1940 represents a decrease of 716,000 from the 1935 figure. Between 1930 and 1935 the number of farms increased in every size group classified, except in those under 3 acres and between 20 and 49 acres. From 1935 to 1940, the number of farms in every size group from 3 to 700 acres decreased. The farms under 700 acres declined by 729,000 or 11 percent, but the number of farms of more than 700 acres increased by 14,000 or 9 percent. Farms of less than 700 acres contained in aggregate 49,495,000 acres less in 1940 than in 1935, whereas farms of 700 acres and over contained in total some 55,832,000 acres more land than in 1935. The farms of 700 acres and over made up 2.2 percent of the total number of all farms in 1935, and 2.6 percent of the total in 1940. These large farms included 34.2 percent of all farm acreage in 1935 and 14.8 percent of the crop land. In 1940 they included 39.2 percent of all farm land and 18.5 percent of the crop land.

Recent trends in the size of farms have differed between the major tenure groups. Although the average size of all farms increased 11 percent between 1930 and 1940, the average size of full-owner farms decreased by 3 percent, and that of farms in other tenure groups increased. Part-owner farms expanded on the average from 374 to 488 acres (30 percent), manager farms grew from an average of 1,109 to 1,830 acres (65 percent), and the average size of tenant farms increased from 115 acres to 132 acres (15 percent). Among the tenant group, the share and share-cash tenant farms have experienced the greatest growth in

average size. The average size of cropper units increased slightly and cash tenant farms remained stable. The decline in the average size of full-owner farms was not consistent throughout the 10-year period up to 1940. From a low of 122 acres per farm in 1935, the average size of full-owner farms increased to 124 acres in 1940. Recent indications are that this 1935-40 trend has continued since 1940.

SINCE the 1940 Census, farm operating units have been undergoing considerable change because of the tremendous impacts of the war. It is probable, therefore, that some of the changes indicated by the latest census data have shifted intensity and direction to some extent. Marked shift of farm acreage into large farms undoubtedly has slowed down, and the decline in number and acreage of medium-sized farms probably has been reversed. At the beginning of the war the drain of manpower away from farms meant that the remaining operators had to take over vacated tenant tracts and small farms formerly operated by owners. The large operators depending upon hired laborers were already cramped because of the loss of help. Rather generally, the well-equipped family farm operators, who were not so dependent upon hired labor as the large operator, have taken up these vacated lands. This sort of development has been occurring right along in the Corn Belt and general farming areas.

There have been few indications of major shifts in the size of farms in the range area during the war period. Farms in this area probably have remained fairly stable as far as acreage is concerned. In the plantation area of the South there are indications that the shift of sharecroppers to wage hand status, which was taking place rapidly during the 1930's, has been reversed by wartime necessities. Plantation owners in many instances have given cropper status to many of their labor-

ers, in order to discourage them from leaving the farm for other employment. The reestablishment of cropper units on southern plantations will tend to decrease the average size of farms as classified by the census.

BEGINNING with the current crop year, war manpower policies as to agriculture have influenced the size of farm operating units considerably. The drain of manpower from farms has been halted. Also, many reports indicate that a considerable migration back to the farms has occurred recently. Significant numbers of persons formerly employed in nonessential industries have gone into farming. Many farm operators and laborers, who at the beginning of the war left the farms for higher paying jobs, are returning to agriculture. This appears to be true primarily for those who went into war construction jobs that are now completed. Those returning to farms as operators for the most part have taken up farms that have been abandoned, or parts of larger farms, thus increasing the number of relatively small farms.

Another factor tending to decrease

the average size of farm units which also is related to the war manpower situation is the division of farms between father and son. Many fathers are taking advantage of war-created opportunities to set up their sons as independent operators on farms of their own. To some extent new land has been purchased, but in many instances the home places have been divided.

Recent investigations in several counties in the Northern Great Plains States show that the average size of farms of all tenure groups in that area has increased, that the size of owner-operated farms has increased substantially, and that the average size of tenant-operated farms has increased only slightly. Further evidence of the increase in size of owner-operated farms is obtained from analysis of land transfers in some 108 counties located throughout the United States. During the first 3 months of 1943, 44 percent of all purchases of farm land were made by owner operators who intended to operate the land themselves.

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FARM LABOR SUPPLY

THE total of 11,659,000 workers employed on farms on June 1, was about 2 percent below the number employed on farms June 1, 1942, and about 5 percent under the 1939-41 average for June of 12,204,000 workers. Farm wage rates were 37 percent above those of a year earlier. The average wage rate was the highest on record, 251 percent of the 1910-14 average. This compares with an index of 239 on April 1 of this year and 183 on June 1, last year.

Nearly all of the decrease from last year in total employment came from a decline of about 6 percent in numbers of hired workers. There were about 2,697,000 hired farm workers on June 1 compared with 2,880,000 for that date last season and the June 1937-41 aver-

age of 2,975,000. Total farm employment was higher on May 1, in all regions, but was lower than for June last year in all areas except in the East South Central States and the Pacific Coast States.

As usual farm wage rates were higher in the Pacific States region than in any other. This region also showed the sharpest increase in wage rates over June 1942—nearly 50 percent. Wages in New England and the Middle Atlantic and East North Central States advanced about 25 percent during the same period, and then increased about 35 percent in the Southern States.

Because of the heavy work load caused by the increased production of crops and livestock products and loss

of experienced workers to military service and industrial jobs, farm operators have lengthened materially their own workday. On June 1, for example, their average work day was reported at 12.8 hours, or 45 minutes per day longer than in 1940. The length of workday for farm operators was half an hour longer than in 1940 in the Atlantic Coast States, and was somewhat longer still in other regions. In the North Central States, operators were working 0.9 of an hour longer by the first of June than on that date three years ago. This increase in work by operators was the largest in the country.

THIS region also showed an increase of about half an hour in length of workday for hired farm workers, compared with June 1, 1940. Here again this region showed the largest increase for any section of the country, for there was relatively little change in number of hours worked per day by hired help in other regions. For the country as a whole, hired help averaged 10.7 hours per day on June 1 compared with 10.4 hours for June 1, 1940.

Some significance perhaps should be attached to the fact that the length of workday increased most in the States where power equipment is most generally used. The season was two weeks or more late in many areas, and this caused work to pile up and necessitated longer hours of labor. Floods and excessive rains in some sections added to the work load and required some farmers to put in longer hours.

Reflecting the wartime drain of mature workers from agriculture, about 13 percent of farm workers employed on June 1 were under 14 years of age compared with 4 percent on April 1 last year. This change reflects, in addition to the April to June seasonal change, an upward trend in employment of youngsters on farms. The percentage of workers under 14 years of age was highest in the Southern States and lowest in the Pacific Coast and New England States.

A sharp increase also is reported in the number and percentage of women working on farms. As in the case of the young people, the increased percentage of women workers is due largely to the fact that there is a great deal of farm work on June 1, such as picking fruit and berries, chopping cotton, and helping with truck crops. that women can do. Although data for last June are not available, the percentage of women workers probably has increased materially during the past year.

FARM people throughout the Nation were exceptionally busy at the beginning of June. Great efforts were being made to offset the smaller than usual supply of workers and the general lateness of the spring work. At the same time, however, farmers generally were more concerned over the labor supply prospects for the coming harvest than over labor for planting and cultivating the crops. Farmers on the whole, appear to be adjusting their programs to labor conditions better than they did a year ago. Apparently they feel that, with the Government helping them to get workers, they will be able to turn out a large crop.

In New England, spring planting was nearing completion on June 1, although farm work was about a week later than usual. Farmers here express some doubt that the supply of labor for hay harvest will be adequate, especially in quality. Employment of youths and aged persons on New England farms has been of great help, but naturally those workers are not so skilled as the seasoned workers who have left the farms. The number of persons employed on farms in New England on June 1 totaled 257,000, compared with 259,000 on the same date last year.

Crops and farm work were far behind schedule in the Middle Atlantic States although some of the lag has been taken up. Farmers in up-state New York were still seeding late oats and barley and planting corn on

June 1, while farmers in southern New York were starting to harvest the hay crop. This bunching-up of the farm work in the Middle Atlantic region puts an added load on those now working on farms. The persons working on farms in these States was 4 percent smaller than on June 1 a year ago. The supply of workers, however, is now being augmented by large numbers of boys, women and old men and by the importation of workers from the West Indies. By June 23 there were about 6,000 Jamaicans employed on farms in the United States. In addition there were about 3,000 more at port of entry ready to be transported, to farms. Most of these were expected to be sent to farms in the North Central and Northeastern States.

AS WEATHER in the North Central States has been generally unfavorable this spring for farm work and for growth of crops, spring work was retarded. Toward the end of May, however, the weather improved and farmers have rushed their plowing and planting to try to make up some of the lost time. Many reports from this area tell of tractors running 24 hours a day. The number of persons employed on farms in the East North Central States June 1 was estimated at 1,502,000—a decrease of 28,000 or 5 percent from the total employed on June 1 last year. The total employed on West North Central farms—1,756,000 on June 1—was only 17,000 smaller than on that date a year ago. Farmers in this section apparently feel that government agencies will have to help them in obtaining laborers, particularly during the coming harvest.

Farm work in the South Atlantic States is not up to the usual schedule. The total number of persons employed on farms on June 1 was nearly 4 percent below that of a year earlier. Farmers, however, are working unusually hard to keep up with necessary cultivation and the harvest of potatoes

and other truck crops. There were about 3,000 Bahamian workers employed on vegetable farms in Delaware, Maryland, and Florida. These workers are expected to move north as harvest work develops in truck crop areas. In Georgia, Italian prisoners of war are working in the harvest of the peach crop.

In the East South Central States, an increase in family workers has more than offset a decrease in hired workers. Total farm employment on June 1 was 7,000 larger than on that date last year. The farm work load appears well in hand, but some apprehension is being felt regarding the expected large harvest. On June 1, Alabama farmers were near the peak of their spring work load. This was also true in Mississippi, where conditions were favorable for cultivation of corn and for chopping cotton and the completion of planting these crops.

RAINS and floods in Arkansas and Oklahoma ruined large areas of planted crops, and much replanting was done in June. For the West South Central States as a whole, farm work was greatly slowed up and the total number of persons employed—2,079,000 persons—was between 3 and 4 percent smaller than on June 1 a year ago. Cotton planting was about completed in North Texas. Chopping and hoeing of the crop was completed in southern Texas and was under way in east central and north Texas. Along the Red River, however, and the north central part of the State, fields became grassy as a result of continued and excessive rains. Wheat harvesting had started in the central part of the State. Sheep shearing was 75–90 percent complete in the important Edwards Plateau area, and mostly finished over the rest of the State on June 1.

Farm employment in the Mountain States was at about the same level as a year ago and farm work was making good progress.

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Economic Trends Affecting Agriculture

Year and month	Industrial production (1935- 39= 100) ¹	Income of in- dustrial workers (1935- 39= 100) ²	Cost of living (1935- 39= 100) ³	1910-14=100					Prices paid, interest and taxes	Farm wage rates
				Whole- sale prices of all com- modi- ties ⁴	Prices paid by farmers for commodities used in—					
					Living	Produc- tion	Living and pro- duction			
1925.....	90	126	125	151	163	147	156	170	176	
1926.....	96	131	126	146	162	146	155	168	179	
1927.....	95	127	124	139	160	144	153	166	179	
1928.....	99	126	123	141	160	148	155	168	179	
1929.....	110	134	122	139	159	147	154	167	180	
1930.....	91	110	119	125	150	141	146	160	167	
1931.....	75	84	109	107	128	123	126	140	130	
1932.....	58	58	98	95	108	109	108	122	96	
1933.....	69	61	92	96	108	108	108	118	85	
1934.....	75	76	96	109	122	123	122	128	95	
1935.....	87	86	98	117	124	127	125	130	103	
1936.....	103	100	99	118	123	125	124	128	111	
1937.....	113	117	103	126	128	136	131	134	126	
1938.....	89	91	101	115	122	125	123	127	125	
1939.....	108	105	99	113	120	122	121	125	123	
1940.....	123	119	100	115	121	124	122	126	126	
1941.....	156	169	105	127	131	131	131	134	154	
1942.....	181	238	116	144	154	149	152	152	201	
1942—June.....	176	234	116	144	154	150	152	152	183	
July.....	178	247	117	144	154	150	152	152	202	
August.....	183	251	118	145	155	150	153	152	-----	
1943—April.....	203	296	124	151	168	161	165	162	239	
May.....	203	-----	125	152	169	162	166	163	-----	
June.....	-----	-----	-----	-----	170	162	167	164	251	

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								Ratio, prices received to prices paid, interest and taxes
	Grains	Cotton and cotton-seed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups	
1925.....	157	177	172	153	141	153	163	156	92
1926.....	131	122	138	143	147	152	159	145	86
1927.....	128	128	144	121	140	155	144	139	84
1928.....	130	152	176	159	151	158	153	149	89
1929.....	120	144	141	149	156	157	162	146	87
1930.....	100	102	162	140	134	137	129	126	79
1931.....	63	63	98	117	92	108	100	87	62
1932.....	44	47	82	102	63	83	82	65	53
1933.....	62	64	74	105	60	82	75	70	59
1934.....	93	99	100	103	68	95	89	90	70
1935.....	103	101	91	125	117	108	117	108	83
1936.....	108	100	100	111	119	119	115	114	89
1937.....	126	95	122	123	132	124	111	121	90
1938.....	74	70	73	101	114	109	108	95	75
1939.....	72	73	77	105	110	104	94	92	74
1940.....	85	81	79	114	108	113	96	98	78
1941.....	96	113	92	144	144	131	122	122	91
1942.....	119	155	125	199	189	152	151	157	103
1942—June.....	116	153	148	169	191	141	137	151	99
July.....	115	155	131	200	193	144	145	154	101
August.....	115	151	126	256	200	151	156	163	107
1943—April.....	146	167	189	291	218	180	173	185	114
May.....	148	167	212	253	214	179	175	187	115
June.....	151	166	234	308	211	178	179	190	116

¹ Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.

² Total income, adjusted for seasonal variation. Revised March 1943. ³ Bureau of Labor Statistics.

⁴ Bureau of Labor Statistics index with 1926=100, divided by its 1910-14 average of 68.5.

NOTE.—The index numbers of industrial production and of industrial workers' income shown above are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income, since output can be increased or decreased to some extent without much change in the number of workers.